

The Future of the UK

Between Internal and External Divisions

Edited by

Marius Guderjan

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6. Reflections from Northern Ireland on the Result of the UK Referendum on EU Membership

Paul Carmichael¹

As the deluge subsides and the waters fall short, we see the dreary steeples of Fermanagh and Tyrone emerging once again. The integrity of their quarrel is one of the few institutions that have been unaltered in the cataclysm which has swept the world.

Winston Churchill, 22 February 1922

Written in the aftermath of the Great War, and the subsequent partition of Ireland as a prelude to the creation of the 'Irish Free State', Winston Churchill's disparaging remarks have often been recalled in Northern Ireland, as the effects of later world events have been refracted through the prism of the Province's politics. In this, the centenary year of the Battle of the Somme, although immeasurably less seismic in nature than that titanic struggle, the impact of the outcome of the United Kingdom's recent referendum on European Union membership, continues to reverberate through the body politic of this Province, the UK as a whole, and indeed across

the rest of Europe. What will 'Brexit' mean for Northern Ireland? At this stage, with so much uncertainty, one can largely only speculate. However, while details remain elusive, it is clear that there are major implications and unintended consequences that flow from that momentous decision of 23 June 2016.

Background

In the first ever pan-UK referendum, that on continued British membership of the European Economic Community (EEC) or 'Common Market' in June 1975, Northern Ireland voted by 52 per cent to 48 per cent to accept the revised terms that had been negotiated by the Labour Government. Nationally, the vote was 67 per cent in favour of remaining – the only parts of the entire UK to vote against, were the Western Isles and Shetland Islands. The result in Northern Ireland that year was:

Yes	259,251	52.1%
No	237,911	47.9%

Turnout 48.2%

In comparison, the rest of the UK endorsed staying in the EEC by a far greater margin.

Yes	17,378,581	67.2%
No	8,470,073	32.8%

Turnout 64.5%

Nonetheless, there was some surprise that Northern Ireland had supported remaining in the Common Market. The Province's Unionist majority, fearful that the EEC might undermine the already contested constitutional status of Northern Ireland, had been expected to back the 'No' campaign. The political leaders of Unionism were, on balance, against continued membership, some vehemently so, such as the Reverend Ian Paisley. Constitutional Nationalists were broadly in favour of continued membership although the Republican movement was hostile, contending that the 'Rich Man's' or 'Capitalist Club' was anathema to their conception of Irish sovereignty and culture.

In the years following the UK's decision to remain in the EEC, and through successive Treaties which slowly but ineluctably bound both the UK and the Republic of Ireland ever more deeply into the European 'project', Northern Ireland was on balance a net beneficiary, at least as measured in terms of the financial largesse emanating from Brussels. Support for peace and conflict resolution in Northern Ireland, as demonstrated in successive financial packages to help

sustain that commitment, amounted to a sizeable addition to London-directed public spending. All told, now in fourth iteration, the Special Funds in support of peace in Northern Ireland have exceeded £1bn over several decades. That support was matched by the political goodwill of the European Union, championed by successive European Commission Presidents, to aid a reconciliation among the divided people of Northern Ireland. Evoking the imagery of the post-war Franco-German rapprochement, the EU was swift to dig deep into its pockets to resolve the continent's most intractable civil conflict (at least until the strife that consumed Yugoslavia in 1992). Hence, while the rest of the UK has witnessed a steady growth in 'Euroscepticism', manifest in the rising popular vote of the United Kingdom Independence Party (UKIP) (if not matched in seats in Westminster), debate in Northern Ireland was more muted. Certainly, while immigration has been evident locally, its scale has not been comparable to that in much of England, where the issue acquired far greater political salience.

The Referendum

After the largely unanticipated return of a majority Conservative Government in the 2015 General Election, with its manifesto commitment to hold an 'In/Out' referendum on UK membership of the EU, the tenor of the debate was ratcheted up sharply. Overall, for most of the referendum

campaign, the terms of the debate in Northern Ireland over the UK's continued membership of the European Union paralleled those elsewhere in the UK. Above all, in terms of the economic dimension of the issue, both the local Remain and Leave campaigns deployed many of the same arguments as their respective national counterparts, suitably nuanced to reflect the region's particular geography – sharing the UK's only land border with another EU Member State - and relatively depressed socio-economic conditions, having being particularly adversely affected by the impact of UK Government austerity by dint of the Province's heavy reliance on public sector employment, related activity and welfare dependency.

As the campaign opened, politically, Northern Ireland was predictably largely polarised, chiefly but not exclusively around the traditional fault lines that have characterised politics here since before its creation as a separate political entity. That is, the cleavage of ethno-national cum religious identity quickly determined the central division on the 'European question'. Perhaps nowhere but in Northern Ireland, could one see a biblical quotation in support of Leave adorning a gable end wall: "And I heard another voice from heaven, saying, Come out of her, my people, that ye not be partakers of her sins, and that ye receive not of her plagues." (Book of Revelation Chapter 18, Verse 4)

Hence, in the campaign, the demarcation was clear: the Nationalist parties (Sinn Féin and the Social & Democratic

Labour Party) were pro-Remain. For Sinn Féin, this represented a reversal of their stance in the 1970s since, among other factors, the party's emergence as a party of Government in the North, and vying to be so in the South, meant that its all-Ireland credentials demanded nothing less than endorsement of the whole of Ireland to remain in the EU. Nationalists were joined by the bi-confessional Alliance Party of Northern Ireland and the smaller of the main Unionist parties, the Ulster Unionist Party, though there were notable detractors among its ranks, including former senior figures, from this official position. For Leave, the largest of the Unionist parties, the Democratic Unionist Party (DUP), was foremost in its calls for the UK to quit the EU. The DUP was joined by the smaller Traditional Unionist Voice (TUV) and the local arm of UKIP.

Ultimately, therefore, the majority of the electorate in Northern Ireland behaved largely by reference to the issue which defines politics here, namely, the constitutional question and the border with the Republic of Ireland. Overwhelmingly, Nationalist voters heeded their political leaders, and plumped for the Remain argument. Conversely, Unionist voters heeded the advice of the largest political party, including the voice of the First Minister of Northern Ireland, Arlene Foster, and voted for the Leave campaign. Clearly, however, a significant minority of the Unionist electorate were sufficiently moved by the arguments to

'break ranks' and opt for Remain. Hence, the overall result in Northern Ireland was:

Remain	440,437	55.8%
Leave	349,442	44.2%

(In 11 of Northern Ireland's 18 Parliamentary constituencies, Remain prevailed)

Turnout 62.7%

In comparison, the rest of the UK endorsed leaving the EU by a far greater margin.

Remain	16,141,241	48.1%
Leave	17,410,742	51.9%

Turnout 72.2%

Matters Arising and Some Unfinished Business

A string of 'matters arising' emanates from the referendum decision. As an issue, perhaps 'the' issue in Northern Ireland, 'the border' displays three particular aspects both literally

and psychologically. Firstly, there is what sort of border? For supporters of EU membership, the prospect of a 'hard' border re-emerging between the two jurisdictions was very real. That there had never been a 'wall' or fence as such was overlooked. However, for much of the period following the creation of Northern Ireland as a separate political entity, its land border with the South was policed to varying degrees, including with military support during periods of terrorist insurgency (most notably during the Troubles 1969-1996), coupled with 'normal' customs officialdom monitoring cross-border trade and movements. Hence, depending on the nature of the UK's relationship with the rest of the EU after any secession, there has been much speculation as to whether customs controls would be reintroduced, and even an end to the passport and visa free movement associated with the Common Travel Area (CTA) which had been in operation since 1923 – save for the period from 1939 to 1952 when, due to the national emergency of wartime conditions, cross border and indeed internal UK travel to/from Northern Ireland and Great Britain was restricted. Currently, the CTA involves an open borders arrangement that encompasses the Republic of Ireland and the United Kingdom of Great Britain and Northern Ireland, together with the British Crown dependencies of the Isle of Man, and the Channel Islands. Essentially, the CTA is based on legally non-binding arrangements, and its internal borders are subject to minimal or non-existent border controls whereby borders can usually be crossed by British and Irish citizens with minimal identity

documents, with certain exceptions. Necessarily, to function effectively, maintenance of the British Isles CTA involves considerable co-operation on immigration matters between the UK and Irish authorities.

Certainly, many advocates of Remain contended that a Brexit would necessitate the imposition of new controls though at whose instigation such measures would be introduced was less clear – would these be by the British Government, eager to staunch a possible flow by the 'back door' or would they be by the Irish Government at the behest of the European Union, eager to protect the Single Market and its attendant imposition of customs duties. Interestingly, there were mixed messages from advocates of Leave. For some hard-line Unionists, the introduction of a 'hard' border between the North and South of Ireland, would be greeted with glee, predicated on the logic that 'dissident republican terrorism remains undefeated' and that only with the most stringent of security measures could the authorities hope to combat it effectively. The Chair of the Vote Leave campaign was Lord Lawson, a former Chancellor of the Exchequer during Mrs Thatcher's Government, though who fell out with bitterly – ironically over matters European, namely, Sterling shadowing the Deutschmark as a prelude to membership of the Exchange Rate Mechanism of the European Monetary System in 1989. Lawson indicated that some controls appeared unavoidable, were the UK to leave the EU. For her part, Teresa Villiers, the Secretary of State for Northern

Ireland, and fellow Leave campaigner, rejected all such notions, saying effectively that it would be 'business as usual' as regards the border – at least from a British perspective.

A second dimension to the border question concerns its location. Formally, of course, this is clear in international law, if sometimes less so to the naked eye in situ for it is a long and meandering line on the map, some 499 km (310 miles) in length, and punctuated with countless minor roads and byways – indeed, roads, farmsteads and even buildings sit astride it. In practice, both from a political and logistical perspective, attempting to establish a hard border would be both costly and highly contentious. Perhaps the controversy which any reinstatement might occasion would be equalled only by the rumpus that would ensue, were the UK Government to adopt an internal hard border at Northern Ireland's air and seaports for transit to and from Great Britain. Such a step would be anathema for Unionists. Quite apart from the added inconvenience such measures which necessarily entail for intra-UK travel, and the sense it would diminish their sense of Britishness in some way, the signal this would send to the Province – being interpreted as confirming Northern Ireland's pariah status within the UK – would be loud and clear.

In the words of one of the most celebrated Irish historians, James Camlin Beckett, the third dimension to the border question concerns 'the border in the mind'. That is, amid the regular and sometimes violent clash of identities –

Protestant, Catholic, British, Irish, Northern Irish, Unionist, Nationalist, Loyalist, Republican – in Northern Ireland, what does the idea of Europe mean and what actual difference does it make? Specifically, as given expression in its nascent political cum governmental entity known first as a European Community, latterly post-Maastricht, as a European Union, Europe offered a form of sanctuary in which ancient and bitter enmities might be safely parked. Ever since both the UK and Republic of Ireland acceded to the Treaty of Rome in 1972, at the height of the 'Troubles' in Northern Ireland, there has been a substantial body of opinion among academics, politicians, advisers, policy makers and other commentators that both states' subsequent shared membership of the Common Market provided a neutral space in which their intergovernmental relationship and efforts to find a solution to political and communal strife in Northern Ireland might bear fruit. In many ways, the Good Friday or Belfast Agreement of 1998 effectively removed the border from Northern Ireland politics and the immediate calculations and actions of its politicians. The agreement ensured the border was 'detoxified' as a potent issue bedevilling each and every move of the politicians. With Brexit, will atavistic tendencies, perhaps prematurely thought to have been safely diffused, or at least rendered largely impotent, be reignited? In truth, few locally speak with much affection or enthusiasm for their European identity but the 'fact of Europe' did at least afford a sense that one could possess several indeed multiple identities, and not feel threatened, effectively rendering the

border of 1921 as little more than a line on the map, and a slowly dissolving one at that.

To all of these points must be added a further consideration. The status quo ante of British-Irish relations and identities pre-1973 is out of reach even if it were thought desirable. For its part, 'Irish identity' as enunciated through the organs of the Irish State and other key stakeholders and opinion formers such as the media in the Republic of Ireland have, in key respects, morphed in their acknowledgement that 'being Irish and/or of Ireland' meant more than exclusively being 'Catholic, Republican, and Insular'. Likewise, what might one say of British identity? Necessarily more complex than its Irish counterpart, given it encompasses several nations and a much larger and more diverse population, British identity has changed even more dramatically. Moreover, in Great Britain's most restless corner, that of Scotland, a resurgent and distinct Scottish identity has been evident. It is increasingly alien from and indeed often hostile to that overarching sense of Britishness and has been given an enormous fillip by the albeit failed attempt at securing secession in the independence referendum of September 2014 and, most recently, by the decisive vote in every electoral district of Scotland, in favour of remaining in the EU. Amid the renewed clamour in several quarters for the voters' appetite for Scottish independence to be re-tested through a second plebiscite, as a means of safeguarding a continued or renewed Scottish representation in the EU, were such calls to

be heeded and the separatists to prevail in their intent, then what is left of Britishness?

That family of nations in the United Kingdom, that British Union, cementing England, Wales, Northern Ireland and Scotland would be torn asunder – arguably a disaster all round but a truly cataclysmic prospect for those of avowedly British identity in the Province of Northern Ireland, who well may be left asking ‘still loyal, but to what?’, if the entity to which they cleave so strongly, is itself left broken. Certainly, Northern Ireland’s Unionists would remain unswervingly loyal to the British Crown and Union, whatever residual territorial entity (dubbed ‘rest of UK’ or ‘rUK’) that might survive a Scottish secession. However, the risk is that such professed continuing devotion to the Union would be an unrequited love, with England becoming increasingly weary of a restless Celtic fringe. What then the prospects for peace and stability in Northern Ireland? Even after twenty years of relative quiescence following the cessation of the ‘Troubles’, there remains a sense in which peace in Northern Ireland is rather too conditional, with little being needed to re-ignite dormant enmities. Hence, might Scotland’s breakaway be the touchpaper for a resumption of political violence in Ireland?

Other issues

The referendum and the prospect of UK secession from the EU has also raised other questions. In common with its national counterpart in Whitehall, it is now clear that the devolved governmental machine at Stormont was woefully unprepared for what has come to pass. Yet, there are key issues that remain to be resolved and the role or scope for the devolved Government to influence and shape.

First, in a region where a large proportion of the population remains heavily dependent on farming, the issue of how agriculture and fisheries will fare is prominent. Given the structural composition of the EU budget, Northern Ireland has been a major net beneficiary of farm support payments under the Common Agricultural Policy (CAP). In short, what regulatory and subsidies regime, if any, will be introduced if/when CAP and the Common Fisheries Policy no longer apply in Northern Ireland. Will the UK simply adopt a 'cut and paste' UK-version of CAP, at least to maintain the current subsidy regime and levels for a transition period? Will it revert to the old post-war deficiency payments system of income subsidies and price supports? And, whatever eventuates, will there be a devolved dimension to the arrangements allowing regional priorities and conditions to be taken into consideration by locally elected politicians?

Second, in common with universities throughout the UK, there are major implications for the higher education sector

in Northern Ireland in relation to university research funding (Horizon 2020) and exchange programmes (such as Erasmus), as well as for the level of fees. While there have been calls for 'business as usual' and assurances that existing arrangements will be honoured, alarm has greeted the prospect of UK universities being locked out of a lucrative source of alternative research funds at a time when they are already facing financial stress. Moreover, even if mechanisms can be engineered to afford continued access to such funds, there is a fear that the levels of engagement in crucial research networks might be compromised by Brexit, not to mention rendering the UK a less attractive proposition for highly mobile and talented academics.

Third, the nature of North-South Cooperation in Ireland will be altered dramatically by Brexit. To that end, Enda Kenny, the Prime Minister of the Republic of Ireland, together with a swathe of mainly Nationalist politicians in Northern Ireland, has called for an all-Ireland forum to consider how best to manage the implications of Brexit. In response, Arlene Foster, the First Minister in Northern Ireland, has declared emphatically 'no' to the convening of an all-Ireland Brexit forum while the Deputy First Minister, Martin McGuinness, has said that a failure to do so could once again threaten the stability and continuity of the devolved arrangements, so painstakingly put back on track after several earlier episodes of trauma. By way of overcoming the impasse, it has been suggested that this role could be subsumed within the remit

of the existing North-South Ministerial Council, one strand of the three-stranded Belfast Agreement 'confederal' architecture that spans the British Isles, long viewed as a fig leaf for Northern Nationalists devoid of serious business or responsibility, but now suddenly in a pivotal role. Whatever the format for such intergovernmental negotiations, Stormont and Dublin might do well to agree on the nature of the border, henceforth. On the thorny issue of passport controls, while neither country is signatory to the Schengen Accord, neither has any appetite for introducing such controls. For these reasons among others, it will be important that representatives of the devolved Government along with their counterparts from Scotland and Wales are included in UK level deliberations over the country's negotiating stance with the EU, once Article 50 is invoked.

Fourth, long before the referendum, the devolved Government in Northern Ireland has been exploring the scope to secure a further measure of fiscal devolution, specifically, via variation in corporation tax. Under the 'Azores ruling' by the European Court of Justice in 2006, on the scope and nature of variation in corporation taxation within Member States, Northern Ireland had pursued the option to lower corporation tax to equal the effective equivalent rate in the Republic of Ireland (12.5 per cent), commencing April 2018. It had been through tortuous negotiations with the UK Treasury to conclude the terms for the devolution of this key fiscal lever. However, the recent

cuts in the UK national rate of corporation tax (to 20 per cent, and due to fall further by 2020), it means that the competitive edge sought from a locally funded lower rate of corporation tax will be substantially blunted, though it would, at least, imply the earmarked funds to pay for such a reduction can now be wired into one or more of the many other deserving causes within Government. If not the whole UK, then could Northern Ireland experience a 'soft' Brexit, and remain as part of the EU's Single Market – possibly along with Scotland – while the bulk of the UK remains outside? Ostensibly, the answer is no. However, while there is no precedent for such an outcome, there is no precedent for Brexit either. The EU will share the desire of both the UK and Irish Governments to avoid artificial distortions of trade and commerce on the island of Ireland. Moreover, in a post-Brexit scenario, depending on the nature of renegotiated terms of trade that might eventuate, does EU competition policy and other rules on state aid no longer apply or at least with the same force, thereby allowing Westminster to channel compensating funds to depressed areas. Again, Brussels will want to avoid a Dutch auction of beggar thy neighbour fiscal competition and any attendant downward pressure on national tax receipts. Similarly, given Northern Ireland has not experienced the intensity of the pressures of mass immigration experienced in England, there is also a concern around staff shortages in key sectors of the economy and public services, chief among which is the health service.

A fifth issue concerns the fate of EU legislation on the UK statute book and the process of untangling what has become a complex of legal provisions. That is, how much, if any, will remain, be scrapped or be amended and what role, if any, will be afforded to devolved fora such as the Northern Ireland Assembly (let alone local government)? Although references to subsidiarity have largely disappeared from the political discourse around the appropriate interface of European and national law making, the concept remains highly pertinent in the context of UK secession from Europe. With the very future integrity of the UK again in question, given popular attitudes in Scotland, a measure of flexibility and magnanimity on the part of London towards its restless territorial estate may well be both politically expedient and necessary if the fissiparous pressures of secession are not to prove irresistible.

Assuming Brexit occurs, there has been much speculation around the possibility of contagion effects for neighbouring countries. In short, will others seek to follow suit, where the UK has plotted a new course? For the Republic of Ireland, there appears little enthusiasm to join the UK in heading for the exit. However, British secession does present the Irish Republic with positive opportunities as the sole English-speaking country in the EU. Although the Celtic Tiger roars no more, Ireland's bounce back from the nadir of the 2008 financial crisis has still been remarkable, particularly in contrast to its more troubled southern European

counterparts. Will it, therefore, exploit its position as the new 'lynchpin' between the EU and North America? Conversely, will any such gains be offset by adverse currency and banking sector developments vis-à-vis Ireland's largest market, the UK? Cross-border trade, especially if Sterling remains depressed relative to the Euro, will occasion a dramatic net flow northwards. Similar conditions previously in 2009 had a crippling effect on border businesses and the Irish Exchequer, notably from depressed VAT receipts, when Sterling was last at near parity with the Euro. For Northern Ireland's exporters, that same currency movement offers a potential boon, both into the EU as well as further afield. Whether they will then be able to exploit it remains to be seen.

Outlook

The outcome of the UK's referendum on continued membership of the European Union has delivered a decisive message. While the details of how and when or even if any secession takes effect, and the nature of the subsequent UK-EU relationship, remain to be determined, the implications for the whole country will be profound. For Northern Ireland, with its land border adjoining the Republic of Ireland, the impact of Brexit will have greater ramifications. It will be in the interests of both parts of Ireland, North and South, and their respective sovereign governments, to explore how best

to mediate their relationship in the new dispensation, to mutual advantage.

Endnote

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